

REVISED

STATEMENT OF PURPOSE

RS27632 / H0449

This bill raises the cap for the Budget Stabilization Fund from 10% of previous year's General Fund Revenues to 15%, and provides for two transfers.

Idaho Code currently provides a method to transfer money from the General Fund to the Budget Stabilization Fund in an orderly fashion to protect state programs during sudden economic downturns. The law provides for a transfer if revenues exceed 4% growth over the previous fiscal year. The transfer can be up to 1% of the General Fund revenues of the fiscal year just ended and the Budget Stabilization Fund balance cannot exceed 10% of the General Fund revenues for the fiscal year just ended. In FY 2019, the balance in the Budget Stabilization Fund exceeded the cap and as a result, almost \$40 million was transferred back to the General Fund. The current balance in the fund is just over \$373 million, which is the 10% cap. For additional transfers to be made, the cap on the Budget Stabilization Fund needs to be raised or set aside the law annually. This bill transfers \$20,000,000 from the General Fund to Budget Stabilization Fund. Additionally, it transfers the unencumbered balance currently in the Economic Recovery Reserve Fund, and closes that account by repealing the statute.

FISCAL NOTE

This bill transfers \$20,000,000 from the General Fund to the Budget Stabilization Fund in FY 2020. It also transfers the unencumbered balance in the Economic Recovery Reserve Fund to Budget Stabilization Fund in FY 2020, which could be as much as \$213,000.

Contact:

Representative Rick D. Youngblood
Representative Wendy Horman
Representative Britt Raybould
Senator Steve Bair
Senator C. Scott Grow
(208) 332-1000

DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).